

RuralAmerica

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Welfare reform is the theme of this issue of Rural America. In May 2000, the Economic Research Service, the Joint Center for Poverty Research, and the Rural Policy Research Institute hosted "Rural Dimensions of Welfare Reform: A Research Conference on Poverty, Welfare, & Food Assistance" at Georgetown University. This conference assessed the initial impacts of the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA) on rural America. PRWORA dramatically changed the Federal safety net by replacing Aid to Families with Dependent Children with a new block grant program, Temporary Assistance for Needy Families (TANF). The law gives States greater flexibility in designing and implementing welfare programs, and gives individuals added personal responsibility to provide for themselves through job earnings. TANF seeks to move people from welfare to work by imposing a 5-year lifetime limit on receiving Federal welfare benefits and requiring recipients to find work within 2 years of receiving benefits. W. E. Upjohn Institute for Employment Studies will publish the conference papers in a monograph, *Rural Dimensions of Welfare Reform: Welfare, Food Assistance and Poverty in Rural America*, early next year. Expanded versions of the six articles featured in this issue will be published in this upcoming monograph. The research presented here will help inform the policy debate surrounding reauthorization of PRWORA in 2002.

The first look at the effects of this new legislation has been quite positive, according to conference organizers Leslie A. Whitener, Bruce A. Weber, and Greg J. Duncan, who summarize the conference findings in our lead article. Since PRWORA, welfare caseloads and poverty dropped while employment and earnings increased for many low-income families in both rural and urban areas. Welfare reform, a robust economy, and expanded work support programs are all factors in these positive outcomes. However, individual State studies suggest that rural people on welfare may have a harder time finding work and obtaining the transportation, childcare, and other support services necessary to stay at work.

Nonmetro labor markets have characteristics that may make it more difficult for people leaving welfare. Robert Gibbs finds that, although nonmetro areas in general benefited from economic prosperity in the 1990s, nonmetro welfare recipients were usually concentrated in areas with persistent economic problems. The high number of low-skill and low-education workers in these places discourages companies with higher-paying jobs from locating there and promotes an even greater dependence on low-paying, often part-time service jobs. Robert I. Lerman, Signe-Mary McKernan, and Nancy Pindus report that, for nonmetro America as a whole, the new welfare policies have succeeded in increasing employment for single mothers, the group least likely to work and most likely to be on welfare. Similarly, Daniel T. Lichter and Leif Jensen find that, while rural single mothers still have higher poverty rates than those in urban areas, the level of poverty for families headed by single females has dropped, and higher earnings have more than made up for the decline in welfare assistance.

But State-level analyses suggest that the effects of welfare reform can vary widely among different States and labor markets. Mark S. Henry, Willis Lewis, Lynn Reinschmiedt, and Darren Lewis study welfare and food stamp caseloads in Mississippi and South Carolina, where rural areas have been less successful than urban areas in reducing caseloads. Enhanced support services for the working poor in such areas as transportation, childcare, and job training may be necessary to equalize opportunities for the rural poor.

This issue's Rural Updates section opens with Jack L. Runyan's update of hired farmworker data for 2000. The number of hired farmworkers increased in 1999-2000, but earnings decreased for this group of workers already near the low end of the earnings scale. For the first time in 2000, minority groups made up a majority of hired farmworkers. Richard J. Reeder and Samuel Calhoun present FY 1999 data for Federal funds in nonmetro counties. Metro areas continue to hold a slight lead in per capita Federal funds due to national programs such as defense and space. The nonmetro South received the highest per capita funds, largely because of transfer payments to low-income residents. Finally, Carolyn C. Rogers finds that child poverty gradually declined in the strong economy from 1993 to 1999, but nonmetro areas still have a higher rate than metro; the Black-White gap in child poverty is narrowing, but still high.

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